

(b) defining at least one rule for use in a simulation in which changes are to be made to the composition of said dynamic portfolio, wherein said defining step is performed prior to executing said simulation, and wherein said at least one rule is dependent on at least one tracked attribute, on at least one tracking position, and on at least one trade position;

(c) selecting one of said plurality of scenarios under which said simulation is to be performed;

(d) executing said simulation under the scenario selected in step (c) at said plurality of time steps, wherein the current time step is initially the first time step of said plurality of time steps, and wherein the following substeps are performed on the dynamic portfolio generated at step (a):

i. valuing said dynamic portfolio at the current time step of said plurality of time steps, wherein a model for each instrument in said dynamic portfolio is evaluated;

ii. changing said dynamic portfolio by evaluating said at least one rule to produce a changed portfolio, wherein said changes are dependent on the value of said at least one tracked attribute at the current time step, and wherein said dynamic portfolio becomes said changed portfolio after said changed portfolio is produced;

iii. setting the current time step to the next time step of said plurality of time steps and repeating substeps (i) and (ii);

iv. repeating substep (iii) until said dynamic portfolio has been valued at all of said plurality of time steps;

(e) repeating steps (c) and (d) for each remaining scenario of said plurality of scenarios; and

(f) producing an output risk metric for said dynamic portfolio, wherein said output risk metric is dependent on the composition of said dynamic portfolio after step (d) is performed under at least one of said plurality of scenarios.

35. The method as claimed in claim 34, wherein said at least one rule comprises a condition, and wherein said at least one rule is evaluated in substep (ii) of step (d) only when said condition is satisfied.

36. The method as claimed in claim 35, wherein said at least one rule is selected from the following group: a band rule, a barrier rule, a comparison rule, a functional rule, and a composite rule.

37. The method as claimed in claim 34, wherein each of said at least one rule is assigned a priority.

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38. The method as claimed in claim 37, wherein each of said at least one rule is evaluated in substep (ii) of step (d) in order of priority.

39. The method as claimed in claim 34, wherein each of said plurality of instruments is one of the following: a financial instrument; a non-financial instrument.

40. The method as claimed in claim 34, wherein a filter is used with at least one of said at least one rule.

41. A dynamic portfolio of instruments for use with a risk management system in a simulation, the composition of said dynamic portfolio being changeable under a plurality of scenarios at a plurality of time steps, said dynamic portfolio comprising:

(a) a holding structure indicating instruments and their quantity in said dynamic portfolio; and

(b) a strategy structure indicating a trade manager in which at least one rule for a trading strategy is defined, wherein said at least one rule is dependent on at least one tracked attribute, on at least one tracking position, and on at least one trade positions, wherein said at least one rule is defined prior to executing said simulation;

and wherein for each of said plurality of scenarios at each of said plurality of time steps, said at least one trade manager simulates changes to said dynamic portfolio by evaluating said at least one rule to produce a changed portfolio, wherein said changes are dependent on the value of said at least one tracked attribute at the current time step, wherein said dynamic portfolio becomes said changed portfolio after said changed portfolio is produced, and wherein said changes to said dynamic portfolio are reflected in said holding structure.

42. The dynamic portfolio as claimed in claim 41, wherein said at least one rule comprises a condition, and wherein said at least one rule is evaluated only when said condition is satisfied.

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43. The dynamic portfolio as claimed in claim 42, wherein said at least one rule is selected from the following group: a band rule, a barrier rule, a comparison rule, a functional rule, and a composite rule.

44. The dynamic portfolio as claimed in claim 41, wherein each of said at least one rule is assigned a priority.

45. The dynamic portfolio as claimed in claim 44, wherein each of said at least one rule is evaluated in order of priority.

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46. The dynamic portfolio as claimed in claim 41, wherein each of said plurality of instruments is one of the following: a financial instrument; a non-financial instrument.

47. The dynamic portfolio as claimed in claim 41, wherein a filter is used with at least one of said at least one rule.

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48. A risk management system operable on a plurality of instruments, said system comprising:

(a) at least one risk engine adapted to determine a risk value for each instrument of said plurality of instruments, said risk value determined by evaluating a model for said instrument under one of a plurality of scenarios;

(b) a database to store risk values of said plurality of instruments;

(c) a dynamic portfolio of instruments, the composition of said dynamic portfolio being changeable under said plurality of scenarios at a plurality of time steps, said dynamic portfolio comprising a holding structure indicating instruments and their quantity in said dynamic portfolio and a strategy structure indicating a trade manager in which at least one rule for a trading strategy is defined, wherein said at least one rule is dependent on at least one tracked attribute, on at least one tracking position, and on at least one trade positions, wherein said at least one rule is defined prior to executing said simulation, wherein for each of said plurality of scenarios at each of said plurality of time steps, said at least one trade manager simulates changes to said dynamic portfolio by evaluating said at least one rule to produce a changed portfolio, wherein said changes are dependent on the value of said at least one tracked attribute at the current time step, wherein said dynamic portfolio becomes said changed portfolio after said changed portfolio is produced, and wherein said changes to said dynamic portfolio are reflected in said holding structure; and

(d) an aggregating engine adapted to retrieve said determined risk values to produce a risk metric corresponding to the composition of said dynamic portfolio under said plurality of scenarios.

49. The system as claimed in claim 48, wherein said at least one rule comprises a condition, and wherein said at least one rule is evaluated only when said condition is satisfied.

50. The system as claimed in claim 49, wherein said at least one rule is selected from the following group: a band rule, a barrier rule, a comparison rule, a functional rule, and a composite rule.

51. The system as claimed in claim 48, wherein each of said at least one rule is assigned a priority.

52. The system as claimed in claim 51, wherein each of said at least one rule is evaluated in order of priority.

53. The system as claimed in claim 48, wherein each of said plurality of instruments is one of the following: a financial instrument; a non-financial instrument.

54. The system as claimed in claim 48, wherein a filter is used with at least one of said at least one rule.
